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Councillor Phil Bale
Leader
City of Cardiff Council
County Hall
Cardiff
CF10 4UW



County Hall
Cardiff,
CF10 4UW
Tel: (029) 2087 2087

Neuadd y Sir
Caerdydd,
CF10 4UW
Ffôn: (029) 2087 2088

Dear Councillor Bale,

POLICY REVIEW & PERFORMANCE SCRUTINY COMMITTEE 6 January 2015 Investment Property Review

Many thanks for coming to this month's Committee meeting to discuss the Investment Property Review. It was a useful opportunity to comment on the consultants' work and their recommendations as the Cabinet develops its views on how these recommendations may be taken forward.

While the Committee was impressed by the comprehensive nature of the Review, it was evident to Members that the key drivers in the Review's findings and recommendations are the potential financial benefits which the estate can bring, either in terms of capital receipts or income. The Committee's principal recommendation therefore reiterates the point it has made on several previous occasions: in any decisions relating to the Council's estate, the Cabinet should pay due regard to the potential social and community benefits which can be derived from our property.

We note the recommendation that 'community assets' such as scout halls should be retained due to their benefit to the community, albeit that community asset transfer should be considered where appropriate. However, Members were concerned that the Review did not pay sufficient regard to the needs of the communities that rack rent shops serve, given that the recommendation is that they should be sold (with a few exceptions). The Committee therefore suggests that the latter recommendation should not be accepted. Where asset transfer is considered for community assets, Members were concerned that this should be very carefully considered and with a clear business plan in place for each transfer. The Council should ensure that communities have the capacity to take these assets on without a detrimental effect on provision. As the Committee has stated on several occasions previously, where disposals are proposed, there must also be full engagement with Ward Members.

Members were supportive of the thrust of the Review's recommendations that strategic sites in the City Centre should be retained, as we feel that it is vital to capitalise on their strategic value. The Committee further discussed the future of the Central Market, believing that it is a key historical and cultural asset for the city. We note that the Review's recommendation is that an alternative management



arrangement should be found. Officers were clear that this is not yet Council policy and Members were reassured that officers are working with tenants to develop a way forward.

We queried whether the Trustees of the Pension Fund had been approached to discuss the opportunities for them to acquire a property element to their portfolio. Officers informed us that some discussions have been held in previous years regarding regeneration projects, but that the proposals had been rejected as being too high risk. Members of the Committee understand that Welsh Government is looking to establish a central fund to put this kind of investment in place, and hope that the Council will encourage them to do so.

To re-cap for ease, the Committee asks that the following points are addressed:

- When Cabinet decides its way forward for the Investment Portfolio, it should take into consideration community and social benefit of our property, as well as financial considerations;
- The Cabinet should not accept the recommendation to sell rack rent shops without giving serious thought to their benefit to the community;
- Where community assets are considered for asset transfer, sound business cases should be in place, and there must be community capacity to take the buildings on;
- We recommend that there is full consultation with Ward Members where disposals are considered;
- Members support the recommendation that strategic sites in the city centre should be retained.

We note that this Cabinet's way forward will be presented for approval in March or April, and may try to schedule a pre-decision scrutiny of that report, if our work programme allows.

Many thanks again for attending the meeting; I would be grateful for a response on the points raised above.

Yours sincerely,



COUNCILLOR NIGEL HOWELLS
CHAIR, POLICY REVIEW AND PERFORMANCE SCRUTINY COMMITTEE

cc Neil Hanratty, Director Economic Development
Charles Coats, Corporate Property and Estates Manager
Cabinet Office
Members of the Policy Review & Performance Scrutiny Committee